

Diagnosis-Related Groups: Executive Summary and Requested 2009 Data

Reminder

Effective for admissions on or after July 1, 2013, reimbursement for private inpatient general acute care hospitals will be based on a Diagnosis-Related Group (DRG) payment methodology.

Executive Summary

The Department of Health Care Services (DHCS) requests that providers read the [DRG Executive Summary](#). The summary contains the following important information about the upcoming DRG payment methodology being instituted by Medi-Cal:

- Goals of the DRG project
- Timeframe
- All Patient Refined (APR) DRG versions
- Fiscal impact
- DRG as a payment method:
 - Transfer pricing adjustment
 - Cost outlier adjustment
 - Other health coverage (OHC) and patient cost-sharing
- DHCS policy adjusters
- Changes to hospital billing

The Department also requests that providers read [Hospital Billing and Operations Changes](#), which provides an overview of key changes in billing practices and treatment authorization.

2009 Data Requested

DHCS continues to accept requests for hospital-specific data that shows how claims from calendar year 2009 would have paid under the DRG methodology. Because this data includes confidential information, points of contact (POC) must sign a *Data Use Agreement* with DHCS to receive the data.

Hospitals that had identified an individual as a POC, but the POC has changed, should submit a new *Data Use Agreement*. Hospitals that have not identified a POC must establish one to facilitate communication about confidential DRG base prices and other non-confidential matters.

Communication may be initiated with DHCS via the DRG mailbox at DRG@dhcs.ca.gov. The information should include the hospital's name, National Provider Identifier (NPI) and the contact's name, email address and telephone number. DHCS will use this contact information for future direct contact.

DHCS DRG Web Page

In addition to the *DRG Executive Summary* and *Hospital Billing and Operations Changes*, the following documents can be found on the [Diagnosis Related Group Hospital Inpatient Payment Methodology](#) Web page on the DHCS website under Important Information:

- Project Policy Design Document
- Summary of Analytical Dataset
- DRG Pricing Calculator
- Provider bulletins
- FAQs